

EXHIBIT B

PENSION
AND
RETIREMENT
PLAN

Originally Adopted - September 1, 1904

Last Amended - January 1, 1990

E. I. du Pont de Nemours and Company

PENSION AND RETIREMENT PLAN

I. PURPOSE

The purpose of this Plan is to provide for the retirement of employees and, under the conditions set forth below, to provide an employee who is retired or otherwise terminated with pension rights that take into account the length of his service and the pay he received during his employment with the Company.

II. ADMINISTRATION

The administration of this Plan is vested in the Board of Benefits and Pensions appointed by the Executive Committee. The Board may adopt such rules, or delegate to one or more persons its authority to make initial determinations, as it may deem necessary for the proper administration of the Plan. The Board of Benefits and Pensions retains discretionary authority to determine eligibility for benefits hereunder and to construe the terms and conditions of the Plan. The decision of the Board in all matters involving the interpretation and application of the Plan shall be final. The Executive and Finance Committees shall have authority to control and manage the Plan and the assets of the Pension Trust Fund as set forth in paragraph J of Section IX.

III. NORMAL RETIREMENT AGE

The normal retirement age under this Plan is the later of age 65 or, for employees who commence participation in the Plan after age 60, the 5th anniversary of the time Plan participation commenced. The Company reserves the right to require an employee to accept retirement at or after age 65 where permitted by law.

IV. PENSIONS FOR RETIRED EMPLOYEES

An employee who is eligible for retirement may retire at any time. An employee who retires on or after January 1, 1985 and who meets the respective eligibility requirements specified in paragraphs A through D of this Section will be entitled to a monthly pension payment beginning with the month following that in which he retires and ending with the month in which he dies. An employee who retires at other than month end will receive a pro rata pension payment for the partial month. The pro rata amount will be included with the first monthly pension payment covering the month following that in which he retires.

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A. Normal Retirement

(1) Eligibility

An employee will be eligible for Normal Retirement after reaching age 65 with at least 15 years of service.

(2) Amount of Pension

The amount of monthly pension payable to an employee eligible for retirement under this paragraph will be the greatest of

(a) 1.2% of Average Monthly Pay multiplied by Service;

(b) 1.5% of Average Monthly Pay multiplied by Service, minus 50% of Primary Social Security Benefit;

or

(c) \$9 multiplied by Service, plus 10% of Average Monthly Pay:

provided that the amount determined under (a) or (b) above may not be greater than an amount which, when added to the employee's full Primary Social Security Benefit, will equal 100% of the employee's Average Monthly Pay; provided further that the amount determined under (a), (b), or (c) above shall be reduced to reflect any pre-retirement spouse benefit coverage as provided under paragraph C of Section V and paragraph C of Section VI.

Average Monthly Pay, Service, and Primary Social Security Benefit are defined in paragraphs A(2) through (4) of Section IX.

B. Early Retirement

(1) Eligibility

An employee will be eligible for Early Retirement after reaching age 50 and prior to reaching age 65 with at least 15 years of service.

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(2) Amount of Pension

The amount of monthly pension payable to an employee eligible for retirement under this paragraph will be determined in the same manner as a Normal Retirement pension (paragraph A(2) of this Section) except that the result will be multiplied by the applicable percentage factor from the Early Retirement table.

PERCENTAGE FACTORS FOR EARLY RETIREMENT PENSION

AGE AT RETIRE- MENT	SERVICE YEARS						27 AND OVER
	15 THROUGH 20	21	22	23	24	25	
65	100%						UNREDUCED PENSION
64	95	100%					(100%)
63	90	95	100%				
62	85	90	95	100%			
61	80	85	90	95	100%		
60	75	80	85	90	95	100%	
59	70	75	80	85	90	95	100%
58	65	70	75	80	85	90	95
57	60	65	70	75	80	85	90
56	55	60	65	70	75	80	85
55	50	55	60	65	70	75	80
54	50	50	55	60	65	70	75
53	50	50	50	55	60	65	70
52	50	50	50	50	55	60	65
51	50	50	50	50	50	55	60
50	50	50	50	50	50	55	60

For intermediate age and service combinations, the percentage factor will be interpolated from the above.

C. Incapability Retirement

(1) Eligibility

An employee may be retired by the Company if the Board of Benefits and Pensions finds that he has become, for any reason, permanently incapable of performing the duties of his position with the degree of efficiency required by the Company, and he has at least 15 years of service.

IV C - Continued

(2) Amount of Pension

The amount of monthly pension payable to an employee eligible for retirement under this paragraph will be determined in the same manner as a Normal Retirement pension (paragraph A(2) of this Section).

(3) Incapability Supplement

Such employee will also receive a supplement equal to the greater of (a) 50% of Primary Social Security Benefit as defined in Section IX, or (b) \$90 a month, such amount to be paid until the earliest date on which he becomes eligible for an old-age benefit or unless he is receiving a disability benefit under the Federal Social Security Act.

D. Optional Retirement

(1) Eligibility

- (a) An employee will be eligible for Optional Retirement after reaching age 50 with at least 15 years of service if his employment would otherwise be involuntarily terminated for reasons other than discharge for dishonesty, insubordination or other misconduct.
- (b) An employee will be eligible for Optional Retirement after reaching age 45 and prior to reaching age 50 with at least 25 years of service if his employment would otherwise be involuntarily terminated due to lack of work. The length of service required for eligibility shall be reduced by two months, or a proportionate part thereof, for each month or portion thereof which has elapsed since the employee reached age 45.

(2) Amount of Pension

The amount of monthly pension payable to an employee eligible for retirement under this paragraph will be determined in the same manner as a Normal Retirement pension (paragraph A(2) of

IV D(2) - Continued

this Section) except that the result will be reduced by five-twelfths of 1% for each month by which the month of his retirement precedes the earliest month in which, with continued employment, he would have become eligible for an unreduced pension under the Normal or Early Retirement provisions (paragraph A or B) of this Section.

E. Income-Leveling Option

An employee who retires prior to age 62 under the Early or Optional Retirement provisions (paragraph B or D) of this Section may elect to have his pension increased prior to age 62 and reduced thereafter, using the investment return rate determined in accordance with Appendix A and the factors in Appendix B, to provide, as far as practicable, a level retirement income before and after Federal Social Security payments begin. In the application of this option, the amount of pension payable after age 62 may not be reduced below \$25 per month. This election shall be made in such manner as the Board of Benefits and Pensions may prescribe and may not be changed after the employee's retirement.

F. Application for Pension

An employee who retires or is about to retire may make application for a pension to the Board of Benefits and Pensions in such manner as the Board may prescribe. Such application may also be submitted on an employee's behalf by the head of his department or by any official of the Company to whom the employee reports.

G. Transfers to Affiliates

Notwithstanding the foregoing, an employee who has been transferred to an affiliated group company will not be eligible to retire under this Section; provided, however, that an employee who had 15 years of service at the time of such transfer may, should he become incapable within the meaning of Section IV.C of this Plan but not be eligible for incapability or equivalent retirement benefits under the defined benefit pension plan of such

IV G - Continued

Company, be retired under this Plan as though he were an employee of this Company and will be entitled to benefits as prescribed in Section IV.C, including any incapability supplement.

V. VESTED RIGHT TO DEFERRED PENSION

A. Eligibility

An employee shall acquire a right to a deferred pension if his employment within the affiliated group is terminated on or after July 1, 1988 for any reason other than retirement under the provisions of Section IV and (1) he has had at least 5 years of service or (2) he has reached the normal retirement age as set forth in Section III. Such a terminated employee may elect to receive a monthly payment in accordance with the age and service categories as shown in the following table, subject to the provisions of paragraph V.C.

<u>Years of Service At Termination</u>	<u>Age When Payment May Begin Reduced</u>	<u>Unreduced</u>
Less than 10	Not Available	65 and over
10 through 14	60 through 64	65 and over
15 through 29	50 through 64	65 and over
30 or more	50 through 59	60 and over

Payments may begin with the month following that in which the employee becomes eligible, or any month thereafter, and will end with the month in which he dies.

B. Amount of Deferred Pension

(1) The amount of unreduced monthly deferred pension payable in accordance with paragraph A of this Section will be determined in the same manner as a Normal Retirement pension (paragraph A(2) of Section IV) except that,

V B(1) - Continued

in applying paragraph A(2)(c) of Section IV, 2/3% of Average Monthly Pay times Service shall be substituted for 10% of Average Monthly Pay where Service is less than 15 years. The amount of pension payable to an employee transferred to an affiliated group company will be based on his Service and Average Monthly Pay at the time of transfer. An employee who elects to receive reduced payments will have his payments reduced by five-twelfths of 1% for each month by which the first month of such payments precedes the month in which he would have been entitled to receive an unreduced deferred pension payment.

- (2) Any reduction in monthly deferred pension will be determined after application is made - after any reduction to reflect spouse benefit coverage under paragraph C of this Section or paragraph C of Section VI prior to commencement of monthly pension payments - and a reduced pension will be paid to the former employee until he dies.

C. Spouse Benefit Coverage

- (1) An employee who would be entitled to monthly pension payments under paragraph A of this Section if his employment were terminated will have benefit coverage for his spouse prior to the commencement of monthly pension payments. A former employee who is entitled to monthly pension payments under paragraph A of this Section will have benefit coverage for his spouse prior to the commencement of monthly pension payments unless (i) the former employee provides satisfactory evidence that his spouse cannot be located; (ii) he is legally separated or abandoned, pursuant to a court order to that effect; (iii) spousal consent is otherwise not required by regulations issued by the Secretary of the Treasury, or the former employee and spouse specify otherwise in writing in the manner prescribed by the Board of Benefits and Pensions. A former employee may revoke or reelect his coverage at any time beginning with termination of employment and prior to the former employee's death.

V C - Continued

- (2) In the event of a covered employee or former employee's death, payments to the spouse will be made as provided below:
 - (a) If the employee had attained earliest benefit commencement age, monthly payments will be made to the spouse equal to 50% of the employee's pension calculated under paragraph B of this Section as though he had terminated employment immediately prior to death and elected to have monthly payments commence, and reduced as provided in subparagraph (4) below. Payments to the spouse will begin with the month following that in which the employee dies and end with the month in which the spouse dies.
 - (b) If the employee had not attained earliest benefit commencement age, monthly payments will be made to the spouse equal to 50% of the employee's pension calculated under paragraph B as though the employee had terminated employment immediately prior to death and applied for monthly pension payments to commence at earliest benefit commencement age, and reduced as provided in subparagraphs (4) below. Payments to the spouse will begin with the month following that in which the employee would have attained earliest benefit commencement age and end with the month in which the spouse dies.
 - (c) If the former employee had attained earliest benefit commencement age, monthly payments will be made to the spouse equal to 50% of the former employee's pension calculated under paragraph B of this Section as though he had applied for benefits immediately prior to death and reduced as provided in subparagraphs (3) and (4) below. Payments to the spouse will begin with the month following that in which the former employee dies and end with the month in which the spouse dies.

V C(2) - Continued

(d) If the former employee had not attained earliest benefit commencement age, monthly payments will be made to the spouse equal to 50% of the former employee's pension calculated under paragraph B of this Section as though he had applied for benefits at earliest benefit commencement age and reduced as provided in subparagraphs (3) and (4) below. Payments to the spouse will begin with the month following that in which the employee would have attained earliest benefit commencement age and end with the month in which the spouse dies.

(e) For purposes of Section V.C(2) "earliest benefit commencement age" shall mean the earliest age, given the employee or former employee's service, that benefits could commence under the table in Section V.A.

(3) To provide the monthly 50% payment coverage to the spouse hereunder, a former employee's monthly pension payments will be reduced for coverage after April 1, 1985 as provided below:

COVERAGE DURING EMPLOYMENT

Age at Time of Coverage	Charge Per Month of Coverage
less than 35	.0002%
35-44	.0006%
45-54	.0060%
55-64	.0400%
65 and over	.1250%

COVERAGE AFTER TERMINATION OF EMPLOYMENT
BUT BEFORE COMMENCEMENT OF PENSION PAYMENTS

Age at Time of Coverage	Charge Per Month of Coverage
less than 35	.004%
35-44	.007%
45-54	.025%
55-64	.055%
65 and over	.125%

The charge for employment coverage during 1989 for those former employees who did not attain age 35 before January 1, 1989 will not be applied.

V.C - Continued

- (4) Unless the employee or former employee and his spouse specify otherwise in writing in the manner prescribed by the Board of Benefits and Pensions at the time he makes his application hereunder, or (i) the employee provides satisfactory evidence that his spouse cannot be located; (ii) he is legally separated or abandoned, pursuant to a court order to that effect; (iii) spousal consent is otherwise not required by regulations issued by the Secretary of the Treasury at the time he makes his application hereunder, his deferred pension as calculated under paragraph B will be reduced using the investment return rate determined in accordance with Appendix A and the factors in Appendix C. Payments will be made to the spouse named at application and will begin with the month following that in which the former employee dies and end with the month in which the spouse dies.
- (5) For purposes of this subsection, the term "employee" does not include an active employee with at least 15 years of service or a former employee who had at least 15 years of service upon transfer to an affiliated group company and who (i) is still employed within the affiliated group or (ii) retired from the affiliated group under a provision similar to Section IV.

D. Deferred Pensions of Employees Terminated Prior to January 1, 1985

The deferred pension benefits payable to a former employee whose employment terminated prior to January 1, 1985 will remain as determined in accordance with the provisions of the Plan in effect on the date of his termination subject to the following conditions.

- (1) A former employee who terminated employment after September 2, 1974 and before January 1, 1976 and has not yet started to receive payments under this Section may elect to have his deferred pension reduced to provide the spouse benefit coverage described in Section V.C(4) in such manner as prescribed by the Board of Benefits and Pensions.
- (2) A former employee who terminated employment on or after January 1, 1976 and before August 23, 1984 and who has not yet started to receive payments may elect the spouse benefit described in Section V.C in such manner as prescribed by the Board of Benefits and Pensions.

V.D - Continued

(3) A former employee whose employment terminated on or after August 23, 1984 but before January 1, 1985 and who first applies for benefit payments after January 1, 1985 or who dies prior to the commencement of benefits will have his payments (or calculated benefit) reduced to provide a spouse payment as provided in Section V.C.

E. Application for Deferred Pension

A former employee who has terminated and who becomes entitled to receive monthly pension payments will receive such payments if he makes application in such manner as the Board of Benefits and Pensions may prescribe within three months of the time he wishes payments to begin. No payment will be made for any period before the employee reaches normal retirement age or terminates his employment, whichever is later, which elapses before the application is filed.

VI. PAYMENTS TO SURVIVORS

A. Company-Paid Survivor Benefits

(1) Eligibility

Except as provided in paragraph D of this Section, following the death on or after January 1, 1985 of (a) an active employee with 15 or more years of service, (b) a former employee who retired with pension under Section IV on or after January 1, 1985 or (c) a former employee who had 15 years of service upon transfer to an affiliated group company and (i) was employed within the affiliated group at his death, (ii) was at least 50 years of age when he retired from the affiliated group under a provision similar to paragraph A or B of Section IV, or (iii) retired from the affiliated group under a provision similar to paragraph C of Section IV, monthly payments will be made to: the surviving spouse of an active employee; the spouse at retirement of a former employee; or a survivor or survivors specified by him in such a manner as the Board of Benefits and Pensions may prescribe. These payments will begin with the month following that in which the employee dies. Provided the conditions of paragraph VI.A(4) are satisfied, the specified survivor or survivors will be limited to one of the following and may be changed at any time:

VI A(1) - Continued

- (a) the employee's spouse, in which case payments will be made until death, and upon death of the spouse, the amount of the monthly payment will be divided among the employee's specified minor children in equal shares, each child's share to be paid until death or attainment of age 21, whichever first occurs; or
- (b) any or all of the employee's minor children, in which case the amount of the monthly payment will be divided among the specified minor children in equal shares, each child's share to be paid until death or attainment of age 21, whichever first occurs; or
- (c) a parent or stepparent of the employee in which case payments will be made until death of the specified survivor.

In the absence of a survivor specification it will be presumed that he has specified his spouse and all minor children under category (a) above.

(2) Amount of Benefit

The amount of monthly payment under this paragraph A will be 0.5% of the deceased employee's Average Monthly Pay multiplied by his Service, but not less than \$4 per year of Service plus 4% of Average Monthly Pay, provided that

- (a) if the deceased employee's pension had been reduced because of Early or Optional Retirement in accordance with paragraph B(2) or D(2) of Section IV, the same percentage reduction will be applied to monthly payments made to the survivor under paragraph A of this Section;
- (b) if the survivor entitled to payments (except in the case of minor children) is more than five years younger than the employee, monthly payments under paragraph A of this Section will be reduced in accordance with Appendix E; and
- (c) with respect to benefits for the survivor(s) of a former employee who had been transferred to an affiliated group company,

VI A(2) (c) - Continued

(i) Average Monthly Pay and Service at the time of transfer will be used to calculate the benefit payments, (ii) if the former employee had retired from the affiliated group under a provision similar to paragraph A or B of Section IV, the percentage reduction specified in paragraph B(2) of Section IV corresponding to the former employee's age at retirement from the affiliated group and Service at time of transfer will be applied to the monthly payments to the survivor(s), and (iii) if the former employee had retired from the affiliated group under a provision similar to paragraph C of Section IV, no reduction will be applied.

(3) Company-Paid Benefits for Survivors of Former Employees Retired Prior to January 1, 1985

Following the death on or after January 1, 1985 of a former employee who retired with pension under Section IV prior to January 1, 1985 benefits payable to the survivor(s) specified in accordance with the Plan in effect prior to January 1, 1985 will be calculated as follows.

- (a) If retirement took place on or after December 1, 1976, benefits will be calculated as set forth in paragraph VI.A(2).
- (b) If retirement took place prior to December 1, 1976, benefits will be calculated as set forth in paragraph VI.A(2) except that "\$2 per year of Service" will be substituted for "\$4 per year of Service" and in determining Average Monthly Pay the five calendar years in which the employee's pay was highest will be substituted for the period specified in IX.A(2)(a)(i). However, the reduction specified in VI.A(2)(b) shall not apply in the case of minor children.

(4) An employee may specify a nonspouse survivor provided: (a) he has no spouse; (b) he provides evidence satisfactory to the Board of Benefits and Pensions that (i) his spouse cannot be located; (ii) he is legally separated or abandoned, pursuant to a court order to that effect; (iii)

VI A(4) - Continued

spousal consent is otherwise not required by regulations issued by the Secretary of the Treasury; or (c) his spouse has consented to waive benefit coverage under Section VI.A - and, where applicable, Section VI.C - in the manner prescribed by the Board of Benefits and Pensions. The employee and his spouse may waive coverage under Section VI.A at any time on or after the first day of the calendar year in which the employee attains age 35 and prior to the earlier of age 55 or his death.

B. Post-Retirement Joint and Survivor Options

Except as provided in paragraph D of this Section, an employee who retires (a) after age 50 with at least 25 years of service, or (b) after attaining eligibility for an unreduced pension under the Normal or Early Retirement provisions (paragraph A or B) of Section IV, may elect a joint and survivor option and thereby have his pension reduced, using the investment return rate determined in accordance with Appendix A and the factors in Appendix D, in order to provide monthly payments after his death to a person named by him, subject to the following provisions.

- (1) The election, in order to be effective, must be made at least 30 days prior to his retirement and in such manner as the Board of Benefits and Pensions may prescribe. Elections made less than 30 days prior to retirement will be effective only if approved by the Board of Benefits and Pensions, except as provided below.
- (2) The determination of amounts under this option will be made prior to the determination, if any, of amounts under the Income-Leveling Option of paragraph E of Section IV.
- (3) The amount payable to the person named may be any multiple of 10% of the employee's pension, as determined in accordance with Section IV, except that
 - (a) any incapability supplement payable under paragraph C(3) of Section IV shall not be included,

VI B(3) - Continued

- (b) the sum of the amount payable to the person so named plus any amount payable to a specified survivor under paragraph A or to a spouse under paragraph C of this Section shall not exceed the reduced pension (excluding any incapability supplement) payable to the retired employee, and
- (c) the amount payable under this option shall not be less than \$25 if the person so named is not a specified survivor under paragraph A or C of this Section.

(4) The reduction in the employee's monthly pension will be determined at the time of retirement and the reduced pension will be paid to him until death.

(5) Upon death of the retired employee, monthly payments determined in accordance with the option elected will be made to the person named beginning with the month following that in which the retired employee dies and ending with the month in which the person named dies.

(6) If the person named dies before the employee retires, the option shall terminate and the employee may elect another option at any time prior to the date of his retirement.

(7) If an employee who has elected an option is to be retired under the Incapability or Optional Retirement provisions of paragraph C or D of Section IV, he may revoke the option, or replace it with another option which provides the person named a lower percentage of his pension, at any time prior to his retirement.

(8) Except as provided above or as specifically approved by the Board of Benefits and Pensions, an employee may not revoke an option or change the person named less than 30 days prior to his retirement.

VI - Continued

C. Spouse Benefit Option

- (1) This option provides a benefit which is a combination of a survivor payment in accordance with paragraphs A(1) and A(2) of this Section, and a monthly payment to the spouse equal to 10% of the employee's pension as determined under paragraph C(5) or C(6) of this Section.
- (2) To provide the monthly 10% payment for the spouse under this option, an employee's calculated pension will be reduced
 - (a) 0.015% for each month up to and including the month in which the employee reaches age 65, and 0.025% for each month thereafter, that the option is in effect before retirement, and
 - (b) using the investment return determined in accordance with Appendix A and the factors in Appendix D for coverage after retirement.
- (3) Pre-retirement coverage will be effective when an employee reaches age 55 with at least 15 years of service, unless (i) the employee provides satisfactory evidence that his spouse cannot be located; (ii) he is legally separated or abandoned, pursuant to a court order to that effect; (iii) spousal consent is otherwise not required by regulations issued by the Secretary of the Treasury, or the employee and his spouse specify otherwise in writing in the manner prescribed by the Board of Benefits and Pensions. An employee may revoke or reelect this option at any time prior to his death.
- (4) Post-retirement coverage will become effective on retirement unless (i) the employee provides satisfactory evidence that his spouse cannot be located; (ii) he is legally separated or abandoned, pursuant to a court order to that effect; (iii) spousal consent is otherwise not required by regulations issued by the Secretary of Treasury, or the employee and his spouse specify otherwise in writing in the manner prescribed by the Board of Benefits and Pensions within 90 days prior to the date of his retirement. Benefit coverage under Sections VI.A and VI.C is provided for the spouse named at the time of retirement.

VI C - Continued

- (5) In the event of pre-retirement death, the monthly 10% payment will be based on the employee's pension calculated as though he had retired immediately prior to death under paragraph B(2) of Section IV.
- (6) The monthly 10% payment to the spouse of a retired employee will be based on the employee's pension as determined under Section IV (Section V for an employee described in Section VI.C(10)) except that
 - (a) any incapability supplement shall not be included, and
 - (b) all calculations will be made prior to the determination of amounts under the Income-Leveling Option.
- (7) To provide the monthly 10% payment and, if necessary, the supplement described in paragraph (9) below, for post-retirement coverage the employee's monthly pension payments will be reduced using the investment return rate determined in accordance with Appendix A and the factors in Appendix D.
- (8) Payments under this option will begin with the month following that in which the employee or retired employee dies and end with the month in which the spouse dies.
- (9) The benefit provided under paragraph C(1) of this Section will be supplemented if necessary to yield a monthly payment to the spouse equivalent to 50% of the employee's pension calculated as if such pension had been reduced to reflect the value of the 50% spouse benefit; using the investment return rate as determined in accordance with Appendix A and the factors in Appendix C. For purposes of this paragraph (9), coverage will be provided to employees under age 55 with at least 15 years of service provided that the employee and his spouse have not waived benefit coverage under Section VI.A(4).

VI C - Continued

(10) The term "employee" in this subsection includes a former employee transferred to an affiliated group company who had at least 15 years of service at the time of transfer.

D. Survivor Elections of Former Employees Whose Benefits Commenced on or Before January 1, 1985 Other provisions of Section VI notwithstanding effective January 1, 1985 a former employee whose benefits commenced on or before that date may specify a survivor(s) in accordance with paragraph VI.A without regard to the conditions of subparagraph (4) of that Section.

VII. REEMPLOYMENT

A former employee of an affiliated group company receiving pension payments under any such company's pension plan may be reemployed by the Company only upon approval of the Board of Benefits and Pensions. A former employee of the Company receiving pension payments under the Pension and Retirement Plan may be reemployed by an affiliated group company only upon approval of the Board of Benefits and Pensions. No approval of the Board is required for reemployment of a former employee terminated with a right to a deferred pension, if such reemployment is before his pension payments begin. If a former employee of the Company who was retired or otherwise terminated is reemployed by an affiliated group company, any pension payments due him by reason of his service will be suspended during the period of reemployment. When he again retires or is otherwise terminated, his pension rights will again be determined in accordance with this Plan. He may elect to receive either the newly determined rights or the pension rights he had prior to reemployment. If he is reemployed on less than a full-time basis, however, his pension payments may be continued upon approval of the Board of Benefits and Pensions.

VIII. NONASSIGNMENT

No assignment of the rights and interests of employees, pensioners and beneficiaries under this Plan will be permitted or recognized under any circumstances, nor shall such rights and interests be subject to attachment or other legal processes for debts, except as required by Section 401(a)(13) of the Code; provided that, if more than one individual is treated as a surviving spouse pursuant to Section 401 (a)(13), the total amount to be paid will not exceed the amount that would be paid if there were only one surviving spouse. Where an assignment is made, benefits otherwise payable under this Plan will be reduced to reflect such assignment.

IX. DEFINITIONS AND GENERAL CONDITIONS

The provisions of this Pension and Retirement Plan are subject to the definitions and general conditions stated below.

A. Definitions

- (1) The term "employee"
 - (a) includes all employees of the Company;
 - (b) includes a U.S. citizen employed by a foreign or domestic subsidiary of the Company before July 1, 1987, who may be treated as an employee of the Company under Section 406 or 407 of the Code;
 - (c) includes a U.S. citizen on leave of absence granted under Section IV.1(g) of the Continuity of Service Rules, hired by the Company and subsequently employed by a foreign or domestic subsidiary of the Company, who may be treated as an employee of the Company under Section 406 or 407 of the Code;
 - (d) includes a non-U.S. citizen on leave of absence granted under Section IV.1(g) of the Continuity of Service Rules, hired by the Company and subsequently employed by a member of a controlled group of corporations (within the meaning of Section 1563(a) of the Code) of which the Company is a member.
 - (e) excludes an individual who is on temporary assignment with the Company from a foreign affiliate of the Company with the expectation that he will return to duties with the foreign affiliate at the end of a period not exceeding three years;
 - (f) excludes an individual in a bargaining unit represented by a union for collective bargaining, with which discussions have been had concerning this Plan as amended unless and until (i) such discussions or (ii)

IX A(1) (f) - Continued

existing collective bargaining agreements result in favor of applicability of the amended Plan. The terms of the Plan in effect immediately prior to the amendment shall continue to cover an individual so excluded unless and until discussions with the union representing his unit have concluded in favor of applicability to the unit of the amended Plan or of other employee benefits in lieu thereof, or unless and until the individual is made eligible under the amended Plan by lawful unilateral action of the Company;

(g) excludes individuals who must be treated as employees of the Company for limited purposes under the "leased employee" provisions of Section 414(n) of the Code.

(2) (a) The term "Average Monthly Pay" means the higher of

(i) total pay for the thirty-six consecutive calendar months for which the employee's pay is the highest, divided by 36; or

(ii) average pay per month based on total pay over a number of calendar years, and a fraction of total pay for a calendar year if necessary, sufficient to obtain an aggregate amount of service equivalent to three full years. Such calendar years shall be selected beginning with the calendar year in which average pay per month was the highest and taking in turn calendar years of successively lower average pay per month. A fraction of total pay for a calendar year shall be calculated by multiplying average

IX A (2) (a) (ii) - Continued

pay per month for that year by the number of months needed to yield an aggregate amount of service equivalent to three full years.

Where a retired or terminated employee is granted an Incentive Compensation Award and/or variable pay for the calendar year in which his retirement is effective, his Average Monthly Pay will be recomputed and, if applicable, his monthly pension will be increased effective with the month following that in which such award is granted.

(b) The term "pay" does not include

- (i) allowance in connection with transfer of employment or termination of employment and other special payments;
- (ii) awards and payments under a gain sharing program, the Special Compensation Plan, the Stock Option Plan, the former Dividend Unit Plan or similar plans of the Company or any of its affiliated companies;
- (iii) the greater of 1) one half the Incentive Compensation Award or 2) any deferred Incentive Compensation Award;
- (iv) for employees retiring before March 18, 1987, pay for service after the end of the month in which the employee reaches age 70; or
- (v) compensation after December 31, 1988 in excess of \$200,000 per year or such other amount as may be prescribed by the Secretary of the Treasury;

IX A(2) - Continued

- (c) The term "Incentive Compensation Award" means the total award value approved by the Compensation Committee under the Incentive Compensation Plan. The value of each award will be divided evenly over the period of an employee's service for the award year to the extent the award is attributable to such service. Only Incentive Compensation Awards for the 120 months preceding retirement or termination will be taken into account in computing "Average Monthly Pay".
- (d) The term "gain sharing program" means a pay program that provides additional pay only if business objectives are exceeded.
- (e) The term "variable pay" means the variable payment under a pay program that relates a portion of total pay to business objectives such that if objectives are met, targeted pay levels are reached, but if objectives are exceeded or are not met, pay is above or below targeted levels. The variable pay will be divided evenly over the period of an employee's service to which the payment is attributable.

(3) (a) The term "Service" means the length, in years and fractions of a year, of an employee's period of "continuous service" for computing the amount of a pension as determined under the provisions of the Company's Continuity of Service Rules; provided that in the case of an employee described in Section IX.A(1)(b), the term "Service" shall not include any period after June 30, 1987.

For employees retiring before March 18, 1987, service after the end of the month in which the employee reaches age 70 will not be counted for computing the amount of pension. The following conditions shall also apply for purposes of determining eligibility for benefits under Section V of this Plan.

IX A(3) (a) - Continued

- (i) An employee compensated with respect to 1,000 or more hours during a computation period will be credited with one year of service. Once having established such a year of service, an employee will be credited with an additional year of service for each computation period during which he is compensated with respect to 1,000 or more hours.
- (ii) An employee will not incur a break in service if he is compensated with respect to more than 500 hours during a computation period.
- (iii) An employee will be credited with up to 501 hours to avoid a break in service if the employee provides evidence satisfactory to the Board of Benefits and Pensions or its delegate that the absence (i) commenced on or after January 1, 1985 and (ii) was due to the employee's pregnancy, the birth of the employee's child, or the legal adoption of a child by the employee. Service to avoid such a break will be credited in either the computation period in which the absence commenced or the next succeeding computation period, whichever is necessary to prevent the first break in service.

(b) An employee whose service is not credited under the Continuity of Service Rules, pursuant to Section II.1(c) of such Rules, will be credited with service only for purposes of determining eligibility for benefits under Section V of this Plan as follows:

IX.A(3)(b) - Continued

- (i) Such an employee compensated with respect to 1,000 or more hours during a computation period will be credited with one year of service. Once having established such a year of service, an employee will be credited with an additional year of service for each computation period during which he is compensated with respect to 1,000 or more hours.
- (ii) Such an employee will not receive service credit if he is compensated for less than 1,000 hours during a computation period.
- (iii) Such an employee will incur a break in service if he is compensated with respect to 500 or less hours in a computation period. Prior service will be taken into account only after establishing an additional year of service.
- (iv) An employee will be credited with up to 501 hours to avoid a break in service if the employee provides evidence satisfactory to the Board of Benefits and Pensions or its delegate that the absence (i) commenced on or after January 1, 1985 and (ii) was due to the employee's pregnancy, the birth of the employee's child, or the legal adoption of a child by the employee. Service to avoid such a break will be credited in either the computation period in which the absence commenced or the next succeeding computation period, whichever is necessary to prevent the first break in service.

IX A(3) (b) - Continued

(v) Such an employee will not incur a break in service if he is compensated with respect to more than 500 hours during a computation period.

The amount of benefit attributable to any years of service so determined under (b)(i) above, will be calculated as though that service had been credited under paragraph A(3)(a) of this Section.

- (c) For purposes of paragraph A(3) of this Section, a computation period shall be a period of 12 consecutive months commencing the later of January 1, 1976, or the employee's first day of employment or reemployment, whichever is applicable, or any succeeding anniversary of such date.
- (d) For purposes of paragraph A(3) of this Section, the term "hour" means each hour for which an employee is compensated or entitled to compensation for the performance of duties and includes each such hour for which back pay, irrespective of mitigation of damages, has been awarded or agreed to by the Company. The term "hour" also includes each hour for which an employee is compensated or entitled to compensation due to vacation, holiday, illness, incapacity (including disability), jury duty, military duty or leave of absence. No more than 501 hours shall be credited hereunder to any employee on account of any single continuous period during which no duties are performed unless such period of compensation is taken into account in determining an employee's length of continuous service under the Continuity of Service Rules. Hours shall be credited to the period during which the duties are performed or to which the payment relates and, in the case of a period where no duties are performed, shall be credited on the basis of the number of regularly scheduled working hours during the period. To the extent not provided above, the rules set forth in Department of Labor Regulations 2530.200b-2(b) and (c), which are hereby incorporated by reference, shall be followed.

IX A(3) - Continued

- (e) For purposes of determining eligibility for benefits under Section V of this Plan, an employee's service with any member of the controlled group shall be recognized with respect to the period of affiliation.
- (f) Each employee shall become a participant in the Plan on his first day of employment or reemployment, except that an employee whose service is not credited under the Continuity of Service Rules shall not be eligible to participate in the Plan prior to January 1, 1976.

(4) The term "Primary Social Security Benefit" means the monthly primary old-age benefit to which the employee would be immediately entitled (if age 62 or over) or to which he would be entitled at age 62 (if younger than 62), in accordance with the Federal Social Security Act in effect on January 1 of the year of his retirement or termination and based on his actual earnings on which the Company (or any other company, to the extent that service therewith is recognized in computing a benefit under this Plan) has paid taxes under the Federal Insurance Contributions Act. In determining the Primary Social Security Benefit for purposes of this Plan, the employee shall be treated as fully insured under the Federal Social Security Act. For years for which the Company has no record of his actual earnings, an estimate will be calculated by projecting backwards from the last known year using rates equal to the actual changes in national average earnings, as determined by the Social Security Administration. However, the employee may elect to have his Primary Social Security Benefit calculated using his actual earnings, provided he supplies documentation of such earnings from the Social Security Administration within 30 days following the later of the date of his separation from service and the date he is notified by the Company of his entitlement to a benefit.

IX A - Continued

- (5) The terms "actuarially reduced" and "actuarially increased" mean such reduction or increase in the monthly payment to the retired employee or his survivor under this Plan as shall be determined by the Board of Benefits and Pensions, with the advice of an actuary, taking into account the age of the employee or of the survivor entitled to receive payments, or both, as appropriate. The actuarial reduction or actuarial increase will be calculated using:
 - (a) the investment return rate determined in accordance with Appendix A, and
 - (b) mortality rates for pensioners and for survivors using, respectively, the 1985 Du Pont Pensioner Mortality Table and the 1985 Du Pont Survivor Mortality Table.
- (6) The term "Company" means E. I. du Pont de Nemours and Company and/or any wholly owned subsidiary or part thereof which adopts this Plan with the approval of the Executive Committee, or such person or persons as the Executive Committee may designate.
- (7) The term "Plan Year" means calendar year.
- (8) The term "controlled group" means E. I. du Pont de Nemours and Company and its controlled group of corporations within the meaning of Section 1563(a) of the Code.
- (9) The term "affiliated group" means E. I. du Pont de Nemours and Company and its controlled group of corporations within the meaning of Section 1563(a) of the Code, but does not include any foreign subsidiary or any domestic subsidiary which derives in excess of 50% of its gross income for a taxable year from sources without the United States (as defined in Section 7701(a)(9) of the Code).
- (10) The term "Code" means the Internal Revenue Code of 1986, as amended.

IX - Continued

B. Accrued Benefit

An employee's accrued benefit under the Plan at any point in time shall be the amount of monthly benefit determined pursuant to paragraph A(2) of Section IV, based on his Average Monthly Pay, Service, and Primary Social Security Benefit at that time and taking into account any reductions that might be applicable in the case of payment before normal retirement age. Where Service is less than 15 years, 2/3 $\frac{1}{3}$ of Average Monthly Pay times Service shall be substituted for 10% of Average Monthly Pay in paragraph A(2)(c) of Section IV.

C. Payments Rounded to Next Higher Full Dollar Each monthly pension, deferred pension and survivor benefit payment, and each supplemental monthly payment made in connection with Incapability Retirement, which is computed in accordance with this Plan will, if not in whole dollars, be increased to the next higher whole dollar. Such rounding shall be made after applying any applicable reduction factors.

D. Benefit Limitations

- (1) In no case will an annual benefit payable under this Plan with respect to any employee, when added to benefits payable to such employee from all other Defined Benefit Plans of the controlled group, exceed the maximum amount permissible, as described in Appendix F.
- (2) In the event the Plan becomes top-heavy within the meaning of the Code, provisions of Appendix G will apply, notwithstanding any other Plan provisions to the contrary.

E. Pension Plans of Other Companies

(1) Acquisitions

The Executive Committee, or such person or persons as the Executive Committee may designate, may grant pension, deferred pension or survivor benefit rights under this Plan in recognition of those which had been accrued under the pension or retirement plan of another company provided

- (a) such company shall have been acquired, or its assets acquired, in whole or in part, by this Company; and

IX E(1) - Continued

- (b) the employee with respect to whom such pension or other benefit is payable shall have become entitled thereto by retirement or other termination prior to such acquisition, or shall have become an employee of this Company or an affiliate of this Company coincident with or as a result of such acquisition; and
- (c) the Executive Committee, or such person or persons as the Executive Committee may designate, shall have designated such plan to be a Covered Plan for purposes of this paragraph.

The Executive Committee, or such person or persons as the Executive Committee may designate, may prescribe reasonable rules under this paragraph for each acquisition, such rules to be uniformly applicable to all employees and former employees affected thereby.

- (2) Merger or Consolidation of Plan or Transfer of Assets
 - (a) The Company may in its discretion, direct the trustee of the Pension Trust Fund to accept the transfer of assets from the trustee of another qualified defined benefit pension plan, provided the requirements of Section 414(1) of the Code will be satisfied in such transfer. An employee's benefit entitlement will not be diminished as the result of any merger or consolidation with, or transfer of assets or liabilities to, or from, any other plan.
 - (b) With respect to an employee who was a participant in the New England Nuclear Corporation Pension Plan and Trust on December 31, 1983, if the employee's accrued benefit under that plan on such date, actuarially increased to the life annuity equivalent, exceeds the amount calculated under Section IV.A(2) of this Plan, such actuarially increased accrued benefit equivalent shall be used in place of the amount calculated under Section IV.A(2) in determining the benefit payable under Section IV or Section V of this Plan.

IX E(2) - Continued

(c) In connection with the sale of a business or facility or participation in a joint venture by the Company, where the purchaser or joint venture assumes the Company's liability for benefits accrued under this Plan, the Company may, in its discretion, direct the trustee of the Pension Trust Fund to transfer assets to the trustee of the qualified defined benefit pension plan of the purchaser or joint venture, provided the requirements of Section 414(l) of the Code will be satisfied in such transfer. Upon the effective date of such transfer of assets, the assumed liabilities shall be transferred to the plan of the purchaser or joint venture and affected participants shall no longer have any right to benefits under this Plan.

(3) Benefits for Employees of Subsidiaries

Employees who have service with Endo Laboratories, Inc., prior to April 18, 1974, will have the amount of monthly pension attributable to such service determined in accordance with the Employee Retirement Plan of Endo Laboratories, Inc., in effect immediately prior to June 30, 1981. Effective January 1, 1982 and thereafter, an employee who continues to work after attaining age 65, or a former employee who was receiving pension payments and was reemployed after attaining age 65, who has an accrued benefit based on employee contributions made with respect to the Employee Retirement Plan of Endo Laboratories, Inc., will have that portion of his accrued benefit attributable to his employee contributions actuarially increased for the period of time between attainment of age 65, or the date of reemployment (if later), and the date that pension payments commence.

IX - Continued

F. Non-Duplication of Benefits

In order to avoid duplication of benefits, any benefit otherwise payable under this Plan will be reduced on account of

- (a) any retirement, disability, death, survivor or profit-sharing benefit received, or to which the employee or survivor is or will become entitled, from any other private organization; and
- (b) any retirement, disability, death, survivor, discharge or dismissal benefit received from or to which the employee or survivor is or will become entitled under the law of, any foreign government;

provided such benefit is attributable to any service recognized pursuant to the Company's Continuity of Service Rules in computing a benefit under this Plan and provided the Company (or any other company to which such recognized service was rendered) contributed, directly or indirectly, toward the cost of such benefit. Any increase in such benefit which may result from a change in the plan or program of such other private organization or foreign government after the employee's retirement, termination or death will not be taken into account.

The amount of such reduction shall be determined by the Board of Benefits and Pensions so as to assure fair and equitable treatment among employees as nearly as may be practicable. Benefits payable in a different form or at a different time or frequency or in a different currency from those payable under the Plan may be converted for purposes of this paragraph to an actuarially equivalent benefit of the form or forms provided under this Plan on the basis of such actuarial factors, assumptions and methods and such currency conversion rates as the Board of Benefits and Pensions

IX F - Continued

may prescribe. When necessary or desirable to assure fair and equitable treatment, the Board of Benefits and Pensions may waive, in whole or in part, any reduction in benefits hereunder in consideration of the payment or assignment to or for the benefit of the Company or an affiliated company of all or part of the benefit which would otherwise occasion such reduction.

G. No Reduction in Benefits

Any accrued benefit calculated under the provisions of this Plan immediately after any new amendment shall be no less than such accrued benefit would have been if calculated in accordance with the provisions of the Plan in effect immediately prior thereto.

H. Payment of Pension and Required In-Service Distribution

Except as otherwise required by law, benefits are determined based on the Plan in effect at the time of retirement/separation.

Pension payments and required in-service distributions will commence no later than April 1 of the calendar year following the calendar year in which the employee or former employee attains age 70 1/2. Notwithstanding any other provision of this Plan or election by a participant or beneficiary to the contrary, pension payments and required in-service distributions to participants and beneficiaries shall be made in such minimum amounts and at such times as required by Section 401 (a)(9) of the Code and shall not be less than the amount needed to satisfy the minimum distribution incidental death benefit requirements of Section 401 (a)(9)(G). Required in-service distributions hereunder shall not be considered benefits payable under Section IV, for purposes of Section IX.I. or a pension payment for purposes of Section VII.

I. Upward Adjustment in Benefits

By action of its Finance Committee, the Company may from time to time make upward adjustments in benefits payable under Section IV of this Plan with respect to former employees. The Finance Committee shall prescribe specific rules for each such adjustment, and such adjustment shall be uniformly applicable within a classification of such employees determined solely by reference to the date payment of benefits with respect to such employees commenced.

IX - Continued

J. Management of Plan and Assets

The Executive Committee shall have authority to control and manage the operation and administration of the Plan and to designate one or more persons to carry out the responsibilities of administering the Plan. The Executive Committee, or such person or persons as the Executive Committee may designate, may employ one or more persons to render advice with regard to any responsibility of the Executive Committee or any such person under the Plan.

The Finance Committee shall establish a funding policy and method consistent with the objectives of the Plan, and shall establish investment policies in regard to the assets of the Pension Trust Fund. The Finance Committee shall appoint a primary trustee to hold the assets of the Pension Trust Fund in trust. The Finance Committee, or such person or persons as the Finance Committee may designate, may employ one or more persons to render advice with regard to any responsibility of the Finance Committee or any such person under the Plan.

Within the limits of the investment policies established by the Finance Committee, the Vice President - Pension Fund Investment, shall have the authority to control and manage the assets of the Pension Trust Fund, including the authority to direct the trustee or trustees with respect to investment of the assets thereof and to appoint one or more investment managers to manage any of such assets. To the extent necessary or prudent to conform to the law of any jurisdiction, the Vice President - Pension Fund Investment may appoint a co-trustee or separate trustee, approved by the primary trustee, with respect to any assets of the Pension Trust Fund.

All contributions to provide benefits under this Plan shall be made by the Company. The trustee fees and expenses, independent accounting and actuarial consultant fees, premiums to the Pension Benefit Guaranty Corporation and the expenses related to investment of the Pension Trust Fund shall be paid from the assets of the Pension Trust Fund, unless the Company directs otherwise. All other expenses of administering this Plan shall be borne by the Company, which is the plan administrator.

IX - Continued

K. Right to Modify Plan

The Company reserves the right to change or discontinue this Plan in its discretion by action of the Executive Committee, or by written instrument executed by such person or persons as the Executive Committee may designate. Upon the complete or partial termination of this Plan, an employee who is affected by such termination and is not otherwise entitled to benefits under this Plan shall acquire a vested right to benefits accrued under this Plan to the date of such termination, to the extent then funded. Any change which has the effect of reducing or terminating benefits under this Plan will not be effective until one year following announcement of such change by the Company unless the Company deems that the change is necessary or appropriate to qualify or maintain the Plan as one meeting the requirements of the Code with respect to qualified pension plans. Pensions granted pursuant to this Plan, to former employees who were retired or otherwise terminated prior to any such change may not be reduced, cancelled or suspended except as provided under Section VII and paragraph F of this Section.

X. TEMPORARY RETIREMENT/TERMINATION INCENTIVE PROGRAM

A. For any "qualified employee" who, between 3/1/85 and 4/8/85, voluntarily elects to retire or terminate under the incentive program provided in this Section X,

- (1) in determining eligibility under Section IV.A., IV.B., V.A. and VI.B. and in calculating the amount of monthly benefit payable, the service of such employee shall be deemed to be the lowest of:
 - (a) actual service plus five years;
 - (b) actual service plus the difference between 70 and such employee's actual age; or
 - (c) 40 years; and
- (2) in determining eligibility under Section IV.B. and VI.B., the age of such employee shall be deemed to be the actual age of such employee at retirement plus five years; provided, however, that such employee's actual age at retirement shall be used

X A(2) - Continued

in extracting actuarial factors from Appendices B through E and in determining any other actuarial reduction or increase as required under the Plan. In order to receive the incentive, a "qualified employee" making the election under this Section must retire or terminate between 3/1/85 and 4/30/85, or if the Company so elects, on a date selected by the Company which date in no event shall be later than 11/30/85.

B. For the purpose of this Section only, a "qualified employee" means any employee other than those

- (1) in the Atomic Energy Division of the Petrochemicals Department;
- (2) in the Engineering Department assigned to work full time on matters related to Contract No. DE-AC09-76SR00001 with the U.S. Government;
- (3) in the Remington Arms Division of the Finishes and Fabricated Products Department permanently located at the Lake City site;
- (4) in Salary Scale Guide Levels 8 and above; and
- (5) who accept payment under any other voluntary termination incentive program of the Company.